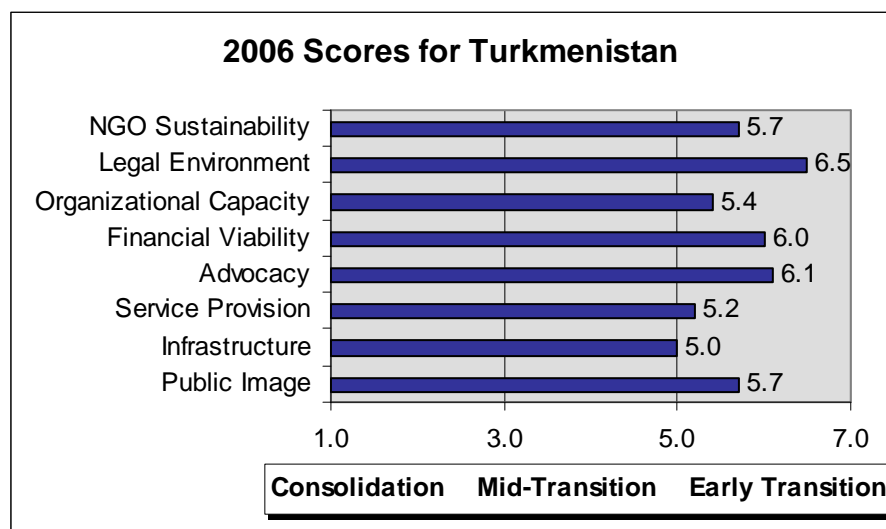


Turkmenistan



Capital: Ashgabat

Polity: Republic-authoritarian presidential

Population: 5,042,920

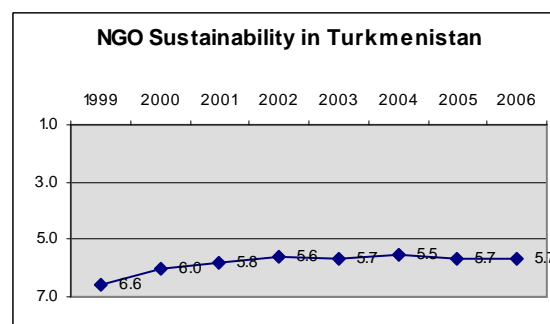
GDP per capita (PPP): \$8,900

NGO SUSTAINABILITY: 5.7

The NGO sector in Turkmenistan continues to operate under difficult conditions. Registration of new organizations remains a significant barrier. The Ministry of Justice did not register any new organizations in 2006, and the six organizations that submitted registration applications in August 2005 have yet to be approved or denied. These difficulties discouraged other new organizations, and not one applied for registration in 2006. Most NGOs continue to operate by obtaining patents or registering as for-profit entities. The process for registering grants with the Ministry of Justice also remained an obstacle. The President's Decree on Technical Assistance issued in 2003 requires that NGOs and religious organizations register their grants with the Ministry of Justice, while other types of entities register their grants with the State Agency for Foreign Investments (SAFI). While the process for registering grants with the Ministry of Justice remains difficult, the registration process with the SAFI is relatively free of obstacles.

While the government remains largely unaware of the NGO sector, officials began recognizing registered organizations that engage in politically-neutral activities such as sports or providing training in accounting. In addition,

government officials permitted international experts to organize and hold workshops on NGO law and taxation.



Overall, the government did not harass NGOs as they engaged in their activities, though there were cases in which government employees were warned not to collaborate with NGOs. The most serious incident involved Ogulsapar Muradova, a journalist for Liberty Radio, who was arrested in June 2006 for smearing Turkmenistan's international reputation. In September 2006, Ms. Muradova died in prison after receiving a six year sentence the month before. The government no longer requires citizens to obtain an exit visa for international travel, though government agencies maintain a list of persons who they deem "unreliable" are therefore unable to leave the country.

Government officials control NGOs in part by requiring that they file financial reports with the Ministry of Justice and local officials. In addition to providing details about their activities, NGOs are required to obtain permission before providing trainings and workshops to NGOs.

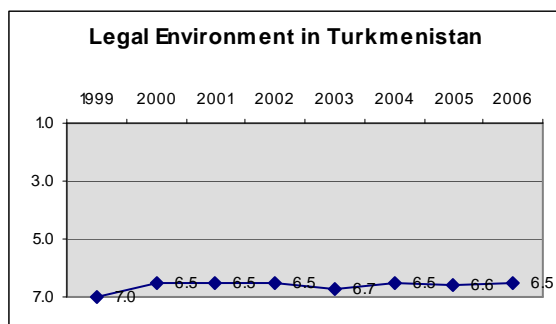
NGOs have only limited access to the internet; individuals are not permitted to have internet access. Bosphorus was the only organization

that was able to set up an internet café. The government closed down three of IREX's five internet resource centers and Counterpart's CSSCs remain the only internet providers in the regions.

In one positive development, twenty activists engaged in USAID funded activities were elected to local and city national councils.

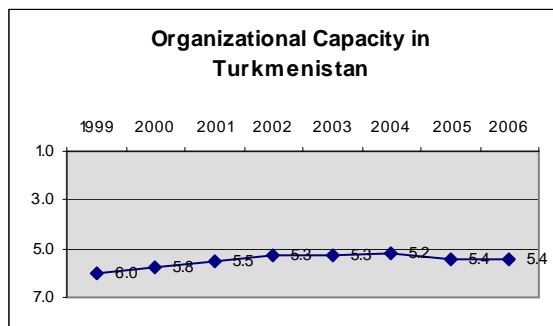
LEGAL ENVIRONMENT: 6.5

The government did not register any new organizations in 2006. In August 2005, six organizations submitted applications and paid fees to register, but the Ministry of Justice has yet to respond. The NGOs demanded that the government clarify the outstanding registration issues, but the Ministry did not respond. The Minister of Justice ignored numerous requests by NGOs for meetings and explanations regarding the pending registration applications. The International Center for Not-for-Profit Law (ICNL) was the only organization to offer analysis of the NGO Law and registration procedures. Officials in the Ministry of Justice declined invitations to attend the NGO Law workshop held in January 2006. NGOs that operate under patents or are registered as commercial entities are required to engage in economic activities and pay corporate and other taxes, which detract from their public-benefit activities. Registered NGOs are exempt from paying taxes on commercial property and rent.



Grants continue to take the form of goods instead of money, which reduces government suspicion and complications with the currency exchange rates (the official exchange rate is approximately four times lower than the black market rate.) The State Agency for Foreign Investments, in contrast to the Ministry of Justice, is willing to cooperate with NGOs and registers NGOs' project grants in a timely manner. International experts trained a cadre of attorneys in NGO law and advocacy for NGO rights. These attorneys now provide legal services to a number of organizations. The government, for example, required a community group in Mary to pay a VAT of 15% when purchasing equipment for a project. Following consultations with NGO legal experts, the community organization referred the government officials to the NGO law and was subsequently exempted from the VAT. In another example, activists in the community of Seidy in Lebap were fired from their jobs for criticizing their employers' management rules. An attorney in Lebap with training in NGO law reviewed the case and appealed to the local trade union. Training from international NGO experts ultimately led to the employees returning to their jobs. In addition, Bosphorus, Ynam, and the Women's Resource Centers also provide legal services in five other regions of the country. As community activism increases, the existing legal services are proving inadequate. The Turkmen Community Empowerment Program is addressing the shortage of legal services by training more attorneys in the CSSCs.

ORGANIZATIONAL CAPACITY: 5.4



Unregistered organizations are unable to receive grants and therefore lack the funding necessary to develop their organizational capacity. Organizations that operate under a patent are required to engage in economic activities and pay taxes, which prevents them from focusing their resources on their public service activities. The few registered organizations were able to improve considerably their structural development, level of professionalism, strategic planning, and management structures. Some registered organizations also developed good reporting and transparency mechanisms. Organizations such as the Association of Accountants publish

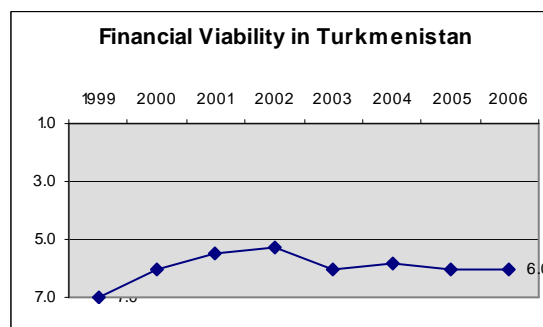
annual reports and hold annual meetings that are open to the public. Keik-Okara and the Association of Accountants also produce annual reports that provide information on their activities and finances, though these are for internal use only.

Many NGOs make efforts to involve their staff in professional development opportunities. In 2006, USAID made it possible for NGO staff to participate in training courses held in Kazakhstan, Bulgaria, and Slovakia. The Community Connection, which is funded by USAID, provides additional opportunities for NGOs and community members to increase their professionalism by training in the United States. Support from the United States government allows many organizations to purchase office equipment and rent office space. While some organizations have an internet connection in their offices, many NGOs do not and access the internet at CSSCs managed by Counterpart. NGOs and communities that have access to the CSSCs generally do not want for office facilities.

FINANCIAL VIABILITY: 6.0

The NGO sector remains highly dependent on international donors. Some organizations, especially those that are formally registered, are making attempts to diversify their sources of funding. There are some recent cases in which the government and private businesses have entered into contracts with NGO service providers. Agama, for example, received a government contract to maintain high-rise buildings. The Eco Center received a contract to train and assist government officials and private businesses. The government began providing more support for NGO social initiatives, including in-kind support such as construction materials and labor for infrastructural development projects. The Mercy, Family and Health organization receives regular support from the Ovadan city

government to provide services to the local orphanages and organize summer camps for at risk children.



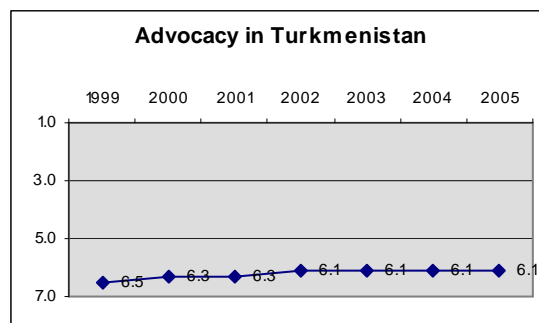
Most organizations that are either registered or have a patent engage in economic activities, which help supplement their limited donations. The Eco Center, which operates under a

patent, provides consultations for fees, and the Association of Accountants provides trainings on international accounting standards. The level of private philanthropy increased over last year, though the government does not provide any incentives. Corporations and individuals often make donations to organizations that run

orphanages and assist disabled persons. Registered organizations such as Keik Okara, Agama, the Association of Ufologists and the Association of Accountants all charge membership fees, but they are insufficient to support the NGOs' activities.

ADVOCACY: 6.1

Despite challenges, NGOs continue to engage in and considerably increase their local advocacy efforts. Some community activists managed to establish partnerships with local government officials and made efforts to improve social and economic conditions in their regions. The Gudadag community in Dashoguz, for example, was limited by poor roads and the lack of adequate transportation. Activists were able to convince a local organization to support their efforts to pave a three-kilometer section of road that leads into the village. In another example, workers in the Ashgabat City Silk factory rented living space in the factory's dormitory, but management would not provide leases to protect their rights. Workers attended one of Counterpart's advocacy training sessions, after which they were able to address the issue with the housing authority and top management. Shortly thereafter, the workers received leases, and their living and health conditions improved. In Dashoguz, local activists and parent groups complained to local education authorities that the schools in the regions did not have computers. As a result, the educational authorities provided 85 computers to five regional schools.



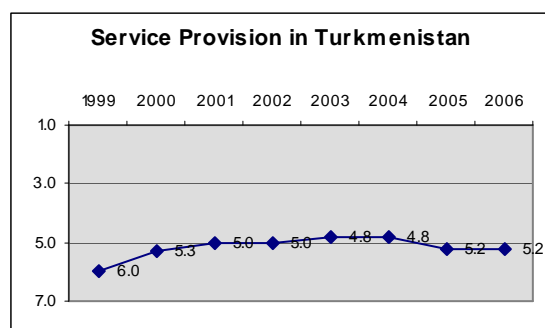
The level of partnership between advocacy groups and local officials increased considerably over the past year, and government agencies are actively supporting social service projects. In the Bairamaly region of Mary Valeyat, for example, the government partnered to make improvements to the drainage systems. NGOs also increased their levels of cooperation and partnership. Keik Okara and Eco Center, for example, work together and exchange assistance and institutional support. Agama closely cooperates with the Youth Center to organize youth training and other events. The cooperation among NGOs, however, does not include building effective issue-based coalitions that engage in substantial advocacy efforts. NGOs remain unable to conduct nation-wide advocacy campaigns or have a serious impact on legislative reforms. Ilkinjiler, however, is continuously working on strengthening agricultural laws.

SERVICE PROVISION: 5.2

The inability to register was a significant obstacle for NGO service providers. Some NGOs obtained patents and licenses, received donor funding, and provided services to the public. In areas in which the government lacks

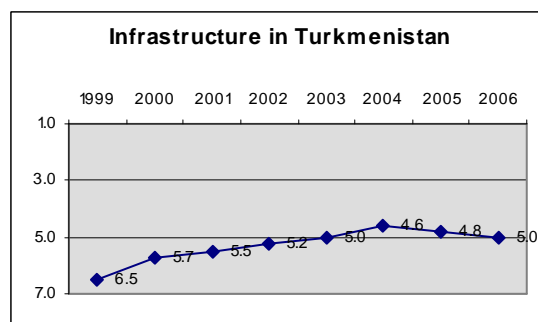
expertise, officials allow NGOs to be more competitive when bidding for social service contracts. Agama, for example is the only organization that provides alpine tours and mountaineering training, while the Eco Center is the only organization that provides journalism

training for youth and ecological consultations. The Bosphorus organization provides legal assistance for marginalized citizens, while the Association of Ufologists provides youth leadership training and civic education. Family, Mercy and Health provides training for at-risk children and their parents in the city of Ovadan. This year, the government began to recognize the unique services that NGOs are able to provide and even offered Agama a contract to maintain high buildings. Similarly, government officials invited the Association of Accountants to join a committee to develop national accounting standards. Eco Center provides consultations to government employees and takes part in national ecological initiatives. Mashgala Bashgala serves government orphanages and shelters by providing psychological and HIV/AIDS training.



Most organizations would be able to expand the scope of their services if they received more support from the government. Agama, for example, provides a limited level of emergency search and rescue services which no government agency is able to provide. Agama could increase its level of services if it was able to secure the proper permits from the government. Similarly, Keik Okara could diversify its training topics if it had a more cooperative relationship with the Ministry of Education. A USAID-funded community development program encouraged community groups to be more proactive in solving local social and economic issues, which led to an increased demand for community services such as legal consultations, agribusiness, civic awareness, critical thinking training courses, and computer and informational support. In addition to traditional services, some communities began to provide vocational training for youth groups. Approximately 200 communities provided various services all over the country; the Mahtumkuly community in Ahal, for example, provides services to over 6,000 people.

INFRASTRUCTURE: 5.0



The CSSI program, which is funded by USAID, developed a network of three civil society support centers and 24 resource centers and points, which are similar to resource centers but offer a limited range of services. These centers provide a number of services including

legal consultations, advice on projects and activities, trainings, and access to information and the internet. These resource centers are among the only public places in which people are able to meet and discuss current events and exchange information. All three CSSCs hold regular discussion groups during which NGOs and community members are able to share their ideas and opinions. The centers are also utilized for youth activities. The Yangala Center, for example, provides computer training for youth and hosts social events, and a resource point in Kaahka provides traffic law classes for teenagers. To serve remote areas where internet access is limited, resource centers are providing libraries of CD-ROMs to share information.

A number of organizations assist other NGOs to develop their organizational capacity. Keik Okara, for example, provides project consultations to other NGOs, while the Association of Ufologists provides legal and economic trainings, and access to computer facilities, to NGOs and community groups. Eco Center is partnering with Nature Protection to provide training in ecology and journalism to other organizations and community groups. Bosphorus and Women's Resource Centers provide legal consultations to community

groups. Ynam has a hot-line that provides citizens with psychological and legal support, while Alma Mater and Medet Education centers share their critical thinking methodology with other organizations. Ilkinjiler provides legal training and assistance to NGOs and community groups in Bairamali. Other organizations such as Merv provide volunteer and leadership training for youth. Training programs are available in Turkmen and adapted to the local context.

PUBLIC IMAGE: 5.7

Though the Turkmen government is generally unaware of the NGO sector, officials appear to recognize registered NGOs. These organizations impressed government officials with their high levels of professionalism and competitive services; as a result, government officials increasingly cooperate with some organizations. In one example, local governments have requested that Mercy, Family, and Health organize summer camps. Similarly, the government allows Agama regular air time to discuss its activities, which may develop into an opportunity to advocate for the entire sector.

Over the past year, Neutrlniy Turkmenistan and other regional newspapers published numerous articles about the NGO sector and its activities. Such coverage by the mass media is new and may help to improve the NGO sector's public image, and provide citizens the opportunity to better understand the important role the sector may play in society. The government, however, does not want to recognize non-registered organizations and there is no indication that the government intends ease the strict registration procedures. Generally, the government is suspicious of NGOs and continues to monitor and control their activities. At the same time that government provision of education, youth, and legal services, and support for at-risk and vulnerable populations, has deteriorated, NGOS have demonstrated their competitiveness by providing quality services. This is believed to have considerably improved the NGO sector's public image.

